

**Minutes of the Veneta City Council
Work Session
September 26, 2011**

Present: Mayor Sharon Hobart-Hardin, Brittany Boothe, Thomas Cotter, Marion Esty, and Sandra Larson

Others: Ric Ingham, City Administrator; Chris Workman, City Recorder/Human Resources and Risk Management Administrator; Shauna Hartz, Finance Director, Darci Henneman, Assistant City Recorder; and Joan Mariner, Fern Ridge Review

Mayor Hobart-Hardin called the Work Session of the Veneta City Council to order at 6:35 p.m.

1. PUBLIC COMMENT

None

2. HOUSING REHABILITATION AND BUSINESS DEVELOPMENT LOAN FUND POLICIES AND PROCEDURES

As a follow up to a request from the Council staff prepared goals and guidelines for the loan/grant award for the Fern Ridge Chamber of Commerce Wineries without Walls project. Ric asked the Council if they had any questions.

Mayor Hobart-Hardin read through the material and said it was very thorough. She made the following recommendations: 1. Recreational vehicles should be removed as a targeted industry in our community; 2. For clarity non-profits should be referenced and included to apply for the program; 3. The definition for micro loans should be referenced at the beginning of the document; 4. A timeline should be included, for example "the amount of time for processing a loan/grant would be up to 30 days"; 5. The Council should not be the review board and the appeals board.

In response, Ric said the loan committee would make the recommendation for approval by the Council. At that point the Council takes on the role as the loan committee.

Mayor Hobart-Hardin said it didn't seem right that the Council and the appeals board are the same.

Ric said up until the Chamber's Wineries without Walls project no one requested assistance through this program. More than likely it would be Lane Council of Governments (LCOG) or a bank that would approach the City after the applicant has been approved by the bank. The City would act as a bridge to support a specific amount of funding.

In response to a question from Brittany Boothe, Ric said he's not comfortable with the Loan Committee having the authority to approve applications but suggested they review the applications and forward them onto the Council for approval.

In response to questions from Sandra Larson, Ric said a micro-loan would apply to a business start up with no more than three employees. It's at Council's discretion to make loan or grant funds available. Ric said if LCOG and/or a bank were involved the City would be subordinate (second position).

In response to questions from Thomas Cotter, Ric said the City can lend or award grants without other partners included. Ric said the City could contract with LCOG to set up and service the loans but if we do that LCOG would more than likely want more involvement reviewing the loans and it's likely that most of the loans wouldn't require that kind of review. Ric said Shauna has the capability to track the financing activity.

After a brief discussion it was the consensus of the Council to replace the word "investment" with "grant".

In response to a question from Sandra Larson, Ric said staff is already monitoring the Bolton Hill Local Improvement District financing. Shauna has looked into software that may make tracking the financing activity a little easier.

In response to a question from Thomas Cotter, Ric said the Business Assistance Loan/Grant Fund will be small scale but the level of review work and servicing will be time consuming for staff. Also loan set-up and distribution fees will only be charged to cover staff time but it needs to be determined what an acceptable level of fees would be for awarding grants.

Mayor Hobart-Hardin suggested the City advertise this new program to let folks know how to apply. People will realize the involvement required in order to just apply.

Ric said Shawn Winkler-Rios of eDev (Entrepreneurial Development Services) has a very developed micro loan program. Ric suggested the City act as the bridge and support eDev and LCOG loan programs.

Mayor Hobart-Hardin said the City wouldn't be in competition for micro loans with eDev or LCOG. We're here to serve our business community in a small way. If we can help a small business in a small way then that's what we should do.

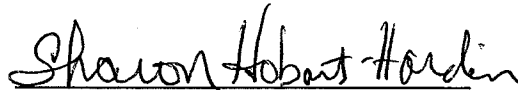
Ric suggested the Council discuss this further at the upcoming Council meeting.

3. OTHER

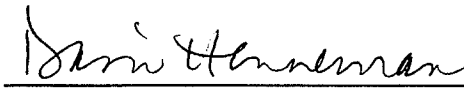
None

4. ADJOURN

Mayor Hobart-Hardin adjourned the Veneta City Council at 7:02 p.m.


Sharon Hobart-Hardin, Mayor

ATTEST:


Darci Henneman, Assistant City Recorder
(minutes prepared by Dhennehan)